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COMMITTEE FOR PROGRAMME AND COORDINATION
Thirty-first session
13 May-7 June 1991
Agenda item 7

ADOPTION OF THE REPORT OF THE COMMITTEE ON ITS THIRTY-FIRST SESSION

Draft report

Rapporteur: Mr. Boris GOUDIMA (Ukrainian SSR)

IV. REPORTS OF THE JOINT INSPECTION UNIT

Report of the Joint Inspection Unit (A/44/646 and A/45/648)

1. At its 13th and 14th meetings, on 21 May, the Committee considered the report of the Joint Inspection Unit (JIU) selected by the Committee at its organizational session, entitled "Practices and procedures aimed at a more equitable geographical distribution of sources of procurement for technical cooperation projects" (A/44/646) and the comments of the Administrative Committee on Coordination thereon (A/45/648).

Discussion

2. A number of delegations expressed the opinion that the report of JIU provided a useful basis for consideration with respect to the improvement of the procurement system for technical cooperation projects through more equitable geographical distribution of sources of procurement. Some delegations objected to all the recommendations in the report while others were opposed to the use of the term "geographical" in the text.

3. Some delegations, while recognizing that the JIU report focused on projects of the United Nations Development Programme (UNDP), underlined the need to expand the purchase of goods and services in developing countries as well as in the under-utilized major developed countries, not only for economic cooperation projects, but also for all purchases by the system as a whole. Several delegations stressed that such purchases should be related only to UNDP projects.

4. Several delegations were of the view that the criteria of good and appropriate quality, low price and adequate guarantees should always apply, as should competitiveness, competition and international bidding in procurement procedures and practices. Some delegations stressed that such criteria were difficult to work out and that specifications for the functioning and the quality of goods should be clearly set out for international bidding and procurement procedures. Some delegations considered that due regard should be given to the specific procurement targets of the developing countries, while others objected to it.

5. Several delegations stressed that, with the increased international division of labour, many finished products included components from the developing countries and the share of some developing countries in the production of such goods had been increasing.

Conclusions and recommendations

6. The Committee reaffirmed that all countries should have as much access as possible to the procurement process for the operational activities of the United Nations system. Consideration should be given to practical and effective measures to increase the procurement from developing countries as well as the under-utilized major donor countries, with due regard for the principle of international competitive bidding and the procurement regulations of the United Nations system, including the preferential arrangements approved by UNDP. In this context, the Committee stressed the important role of programme managers and coordinators, both at Headquarters and in the field, as well as host Governments in promoting procurement from sources of supply in the developing countries.

7. The Committee acknowledged the efforts made by some United Nations agencies to increase procurement from developing countries and under-utilized major donor countries and recommended that this practice should be encouraged. The Committee further requested the Inter-Agency Procurement Services Unit (IAPSU) to continue to improve its methods and procedures for identifying new sources of procurement, as well as its compilation and reporting of information on procurement.

8. The Committee stressed that efforts should be made to overcome old stereotypes and negative attitudes in respect of purchases of goods for United Nations projects from the developing countries.

9. The Committee felt that it was very important to develop a reliable statistical database for purchases and stressed the role of IAPSU as a focal point for the collection of data. Information on procurement opportunities, including competitive international bidding and countries' capacities, should be made available to all interested countries so as to provide better field information and greater transparency.

10. The Committee took note of the recommendations contained in the JIU report and the comments on these recommendations by the Administrative Committee on Coordination.

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Addendum

Rapporteur: Mr. Boris GOUDIMA (Ukrainian SSR)

III. PROGRAMME QUESTIONS

Methodology for monitoring and reporting the programme performance of the United Nations

1. At its 15th meeting on 22 May, the Committee considered the report of the Secretary-General on the methodology for monitoring and reporting the programme performance of the United Nations (A/46/173).

Discussion

2. Some delegations noted that the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had recommended that the process of monitoring the programme performance of the United Nations should be suspended, pending the development of a satisfactory methodology. Several delegations did not share that view.

Conclusions and recommendations

3. The report was reviewed against the background of the conclusions and recommendations made by the Committee at its thirtieth session (A/45/16 (Part Two)), the recommendation of the ACABQ on this subject and General Assembly resolution 45/253.

4. The Committee recalled Article V, Monitoring of Programme Implementation, of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

5. The Committee also recalled that two essential objectives of monitoring were to indicate the extent to which activities mandated in the programme budget had been implemented, and to shed light on the changes introduced to the programme budget during its implementation and to explain the reasons for these changes. The Committee noted that performance reports in general did not contain sufficient information on the changes introduced.

6. The Committee acknowledged that the proposed changes in the reporting of programme performance were not of a fundamental nature but could still be a basis for further improvements:

(a) Reporting performance according to four separate formats, as indicated in paragraph 8 of the report of the Secretary-General, should facilitate a better coverage of the very diverse types of activities undertaken by the Organization.

(b) A more thorough analysis of the changes introduced to the activities described in the programme budget would be provided as outlined in paragraph 9 of the report.

These changes take place at the initiative of functional, sectoral or regional legislative bodies or are added at the initiative of the Secretariat, after the General Assembly adopts the programme budget. The description and reasons for these changes, accompanied by relevant tables, would clarify important aspects of the process of implementation of the programme budget.

7. The Committee noted the conceptual distinction between monitoring programme implementation and evaluating programme quality and relevance to the objectives embodied in the medium-term plan. The report on programme performance should, however, contain an overall assessment summing up the main characteristics of the implementation of the programme budget during a biennium without involving costs disproportionate to the value of the information provided. This assessment should provide, inter alia, information that would facilitate the identification by Member States of outdated and inefficient activities and reformulation of programmes in the light of newly identified objectives. It should also suggest areas that would require an evaluation by the internal evaluation unit, the Joint Inspection Unit, or other independent evaluators.

8. The Committee also emphasized that the report should retain a qualitative approach, in accordance with the Regulations and Rules governing the Programme Planning and Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, and give percentage figures on the implementation of each category of activities; this should facilitate a greater accountability for the implementation of the programme.

9. The Committee stressed the importance of a review of resource utilization and welcomed the inclusion of information on the role of extrabudgetary resources in the funding of activities. The Committee also noted that the estimated work-months utilized for the delivery of groups of activities was a rough indication of the level of resources used. Future programme performance reports should continue to provide such information and the possibility should be explored for providing corresponding figures for the initially estimated allocation of work-months. While this approach would bring a closer link between programme performance and budget performance, the Committee noted that such a linkage was at present unclear. The Committee stressed that one of the main reasons for this was the lack of a system of responsibility and accountability of programme managers, as well as of a clear formulation of programme objectives, as distinct from programme activities. The Committee recommended that such a system should be established.

10. The Committee noted that the proposed methodology was closely linked with the revised format of the proposed programme budget for the biennium 1992-1993. The conclusions and recommendations of the Committee on this revised format are therefore relevant to the monitoring of programme implementation.

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Addendum

Rapporteur: Mr. Boris GOUDIMA (Ukrainian SSR)

III. PROGRAMME QUESTIONS

Review of the procedures for the provision of statements of programme budget implications and for the use and operation of the contingency fund

1. At its 16th meeting on 22 May 1991, the Committee considered the report of the Secretary-General on the review of the procedures for the provision of statements of programme budget implications and for the use and operation of the contingency fund (A/46/170).

Discussion

2. Several delegations expressed concern at the prospect of appropriations from the contingency fund being added to the resource base of the future biennium.

Conclusions and recommendations

3. The Committee noted with appreciation the conciseness and clarity of the report.

4. There was general agreement in the Committee that, although the first two years of experience with the use and operation of the contingency fund had been satisfactory, it was premature to make a definitive judgement on the appropriate level of the fund and on its mode of operation.

5. The Committee reiterated the need to implement the recommendation of the General Assembly contained in its resolution 44/200 B regarding the progressive extension of the provision of statements of programme budget implications to all subsidiary bodies of the General Assembly and the Economic and Social Council. Although the Committee was aware of the difficulties involved, it recommended that the Secretariat should pursue its efforts to extend the provision of such statements, in the most appropriate manner, to subsidiary bodies in accordance with relevant provisions of General Assembly resolution 44/200 B.

6. The Committee stressed that the Secretariat's efforts should also include measures which would enhance general awareness of the budgetary process in these bodies and in all its units.

7. The Committee recommended that the mandate of the Fifth Committee in administrative and budgetary matters should be fully respected.

8. The Committee recalled the provisions of the resolutions of the General Assembly and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation regarding the programmatic content of the statements of the programme budget implications submitted to intergovernmental bodies and recommended that in all such statements the Secretariat should place greater emphasis on the programmatic implications of draft resolutions or decisions.

9. The Committee expressed concern that in most of the statements on programme budget implications submitted in the last two years, there had not been a precise indication, as required by the General Assembly (resolution 41/213, annex, para. 9), of alternative solutions for carrying out new activities, in case it were not possible to finance all or part of the additional requirements from the contingency fund. Although the Committee recognized that the identification of such alternatives in some cases might be difficult, it considered that it was a requirement which was an integral part of resolutions 41/213 and 44/211. The Committee strongly recommended that this requirement should be strictly observed and that viable alternatives should be submitted to Member States in all statements of programme budget implications or revised estimates.

10. The Committee recommended that the Secretary-General should submit to the General Assembly, at its forty-eighth session, through the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination, at its thirty-third session, and in the light of the experience gained during the implementation of the programme budget for the biennium 1992-1993, which would be also the first biennium of the medium-term plan for the period 1992-1997, a report on the review of the procedures for the

provision of statements of programme budget implications and for the use and operation of the contingency fund.

11. The Committee noted that the concept of extraordinary expenses, as mentioned in paragraph 22 of the report of the Secretary-General, should be further elaborated at an appropriate stage and by the appropriate intergovernmental and expert bodies of the United Nations.